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## Air & Radiation Law News

for May 16, 2016

### **Bloomberg BNA** Daily Environment Report™

#### NEWS

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##### *Air Pollution*

##### Asthma Drives Clean-Air Plan of London's New Mayor

London Mayor Sadiq Khan announced plans to crack down on air pollution, saying his own adult-onset asthma has increased his commitment to tackle a problem that accounts for the premature deaths of almost 10,000 people in the U.K. capital each...

##### *Air Pollution*

### EPA Proposal Would Scale Back Some Roadside Air Monitoring

Metropolitan areas with a population under 1 million people would no longer be required to install roadside monitors to measure nitrogen dioxide emissions under a new Environmental Protection Agency proposal....

*Air Pollution*

### EPA Threatened With Lawsuit Over Ozone Plan Deadlines

Environmental organizations have threatened to sue the Environmental Protection Agency unless it acts on state pollution plans for implementing the 2008 national ozone standards of 75 parts per billion....

*Air Pollution*

### EPA Won't Review Waste Rule's Leak-Detection Provisions

The Environmental Protection Agency denied a chemical industry request for reconsideration of leak-detection requirements established under national air toxics standards for off-site waste facilities....

*Air Pollution*

### Independence of EPA Particulates Panel Challenged

Nearly every scientist appointed to an Environmental Protection Agency advisory panel on particulate matter has received an agency grant in the past and produced research backing its assessment of the pollutant's harms, compromising...

*Budget*

### Earmark Requiring DOD to Purchase Pennsylvania Coal Returns

A long-standing earmark requiring the U.S. Air Force to purchase millions of dollars of Pennsylvania coal and ship it more than 3,000 miles to heat military bases in Kaiserslautern, Germany, has been resurrected in the Defense Department...

*Climate Change*

### IRS Seeks Comment on Carbon Dioxide Credit Guidance

The Internal Revenue Service is asking for public comment on Notice 2009-83 on the credit for carbon dioxide sequestration under tax code Section 45Q....

### *Climate Policy*

#### DOE Extends Deadline for Texas Carbon Capture Project

The Energy Department has granted a \$3.9 billion carbon capture and sequestration project being constructed by Summit Power Group additional time to find private financing, a department spokeswoman told Bloomberg BNA May 13....

### *Climate Regulation*

#### Obama Sets Stage for Methane Cuts With New Well Rules

Oil-and-gas producers have a financial incentive to make sure methane doesn't leak from wells and pipelines. Yet the release of methane has become a well-documented global problem—once it joins the...

### *Climate Regulation*

#### Republicans Accuse EPA of Violating Clean Power Plan Stay

The Environmental Protection Agency is pursuing a "shadow regulatory structure" to implement its Clean Power Plan despite a U.S. Supreme Court order staying the rule, three Republican House leaders charged in a letter to the agency....

### *Coal Mining*

#### Coal Critics Call for Overhaul of Federal Leasing Program

As the Bureau of Land Management gets ready to gather input on its federal coal leasing program, industry critics called for a sweeping overhaul during a May 12 conference call with reporters....

### *Energy*

#### Industry, Government Urged to Partner on Grid Security

Grid operators, utilities and energy companies say that the energy industry and the federal government need to continue to work together to improve protection of the U.S. electricity grid from cyber and physical attacks....

## *EPA*

### EPA Inspector General to Probe Alleged Illegal Lobbying

The Environmental Protection Agency's inspector general is launching a forensic audit into Puget Sound tribes allegedly using federal grant dollars for political advocacy, rather than educational purposes....

## *EPA*

### EPA Takes First Steps in Presidential Transition

The Environmental Protection Agency has selected a senior career employee to handle presidential transition operations at the agency, but a former official told Bloomberg BNA the bulk of her work won't occur until after the November...

## *International Climate*

### Green Funding Barred Due to Palestine Move: Senate Bill

Senate Republicans aren't backing off their contention that the U.S. must stop funding United Nations climate change efforts, including the Green Climate Fund, after Palestine, which is not universally recognized as a state, joined....

## *International Climate*

### UN Climate Negotiation Process Resumes With New Voices

The United Nations-led post-Paris climate negotiation process formally begins May 16 in Bonn, with an important agenda and some new faces in key leadership roles....

## *Risk Assessment*

### EPA Analyzes Solvent's Health Hazards

The Environmental Protection Agency is scheduled to release on May 16 its draft toxicological review of a solvent called tert-butyl alcohol. The chemical can be made synthetically and used to make fuels, fuel additives and other chemicals....

## *Sustainability*

### New Brunswick Awards Environmental Project Grants

New Brunswick's Environmental Trust Fund has awarded grants of C\$6.5 million (\$5 million) to be paid this fiscal year to more than 200 projects meant to protect the environment, manage waste and address climate change, Environment...

### CORRECTION

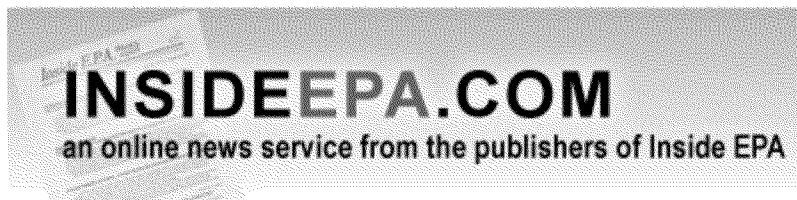
A May 12 article, "Views Differ on EPA's 'Safe' Dose of Explosive," gave the incorrect 1988 reference dose (RfD) for Royal Demolition Explosive (92 DEN A-7, 5/12/16 ). The EPA's 1988 RfD was 0.003 milligram per...

## **BNA INSIGHTS**

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### Climate Change and Hedging: One Person's Opportunity Is Another's Credit Risk

Recent developments in credit risk rating analytics suggest that the multi-decade expansion of unsecured natural hazard risk assumption by sovereigns, corporations and individuals may impact their creditworthiness. Climate change...



## **Latest News**

### **EPA Narrows Oil & Gas Air Permit 'Aggregation' But Backs Stricter State Test**

EPA's final rule on when to combine, or "aggregate" air permits for oil and gas sector sources narrows the scope of aggregation in response to industry criticisms and what the agency says is a declining need for such permits under its related new source air rule for the sector, though EPA is offering states a legal basis to use a stricter aggregation test.

### **EPA Finalizes Plan To Streamline Oil & Gas Air Permitting On Tribal Lands**

EPA has issued its final federal implementation plan (FIP) to implement Clean Air Act “minor” new source review (NSR) permitting for oil and gas production on tribal lands, which it says streamlines the preconstruction permitting process for the sector but that advocates say eases administrative burdens rather than limit emissions.

### **House GOP Lawmakers Fault EPA Efforts To Craft Policies 'Related To' ESPS**

Top Republicans on the House energy committee are expanding their efforts to block EPA from advancing its greenhouse gas rule for existing power plants while the measure is stayed, charging that the agency should not develop rules and other policies “related to” the rule, such as its pending Clean Energy Incentive Program (CEIP).

### **EPA Proposes To Scrap Site Remediation Exemptions From Air Toxics Rule**

EPA is proposing to amend its site remediation air toxics rule by scrapping emissions control exemptions for site cleanups performed under Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) authority or under a Resource Conservation and Recovery Act (RCRA) corrective action or order.

#### **News Briefs**

#### **EPA's NCEA Director Olden To Retire In July**

Ken Olden, the director of EPA's National Center for Environmental Assessment (NCEA), will retire at the end of July, agency sources say.

#### **Advocates Threaten EPA With Suit Over Missing Ozone SIPs**

Environmental and public health groups are threatening to sue EPA over delayed or missing air quality plans due from 22 states and the District of Columbia for meeting the agency's 2008 ozone standard, saying EPA must issue regulatory findings that trigger a timetable for federal sanctions if states fail to produce the plans.

#### **EPA's Giles Touts Difficulty Of Violating 'Next Generation' Rules**

EPA enforcement chief Cynthia Giles is touting efforts by the agency's rule and permit writing staff to craft policies designed to be difficult, counterproductive or even impossible to violate as the agency ramps up implementation of the “Next Generation” compliance initiative that focuses on data-centric enforcement and self-implementing rules.

#### **EPA Rejects Reconsideration Of Waste Recovery Air Rule**

EPA is rejecting the chemical industry's request to reconsider equipment leak reduction provisions in the agency's national emissions standards for hazardous air pollutants (NESHAP) for reducing air toxics from off-site waste and recovery operations, saying industry's “dissatisfaction” with the rule is not justification for revising it.

# Greenwire

**CLIMATE:**

## EPA crackdown on small wells could affect future rules

Amanda Reilly, E&E reporter

Published: Friday, May 13, 2016

U.S. EPA's final methane regulations got rid of a proposed exemption for low-producing wells, a move that's dividing environmentalists and industry.

Low-producing oil and gas wells are those that generate less than 15 barrels of oil equivalent a day. EPA's proposed rule would have exempted them from new scrutiny. The agency's final action does not.

Folding those wells under EPA's final methane pollution rules for new and modified drilling operations had been a top priority for environmentalists.

Groups argued that EPA had wrongly assumed that those low-production wells couldn't release big amounts of methane and that only small businesses operated those wells. The agency appeared to agree.

But industry advocates say EPA's change of mind is evidence of the agency catering to an environmental agenda to halt drilling completely.

The practical effect of removing the exemption is that new wells will become uneconomical and will be closed earlier than they otherwise would be, said Lee Fuller, executive vice president for the Independent Petroleum Association of America.

"The radical environmentalists want to say that these things are huge leaking operations," Fuller said, "but the reality is that if that were true, they wouldn't be really functionally operational."

Oil and gas wells decline in production over time. According to IPAA, which represents independent oil and gas producers, about 80 percent of wells in the country currently fall under the low-producing category.

While the threshold is 15 barrels of oil equivalent a day, the average production rate for those low-producing wells is actually around 2.5 barrels, IPAA says.

In all, low-producing wells generate about 20 percent of the country's oil and up to 13 percent of its natural gas output.

EPA last August justified its proposed exemption because production at those wells was "inherently low" and sites were generally owned by small businesses.

"It seemed at the time to be based on cost considerations without really as careful consideration of the emission implications," said Earthjustice attorney Tim Ballo.

Even though production at those wells is low, environmentalists had argued to EPA that big methane leaks could still occur.

Underpinning the argument are studies by the Environmental Defense Fund, which have found that there is only a weak link between how much fuel a well produces and how much methane it emits.



## **'Stuff happens'**

An EDF study accepted last month by the journal *Environmental Science & Technology* found that a small fraction of "super emitters" in the oil and gas industry were disproportionately contributing to the sector's methane pollution and that it was very difficult to predict where and when those emitters would occur (*Greenwire*, April 6).

"What the data is telling us is that it doesn't matter whether you're a big or a small company, doesn't whether the facility is old or new, doesn't matter whether the facility is big or small," said Mark Brownstein, vice president of the climate and energy program at the Environmental Defense Fund.

"Stuff happens," he said, "and the only way you can find these events and fix them is if you're regularly inspecting your facilities, big or small."

Industry advocates dispute that low-producing wells can be a big emissions problem. By the time a well is down to a few barrels of oil equivalent a day, Fuller argued, its emissions are going to be small.

"Think of it as if you had a big balloon, and you had the balloon full of air, and you start opening the balloon a little bit, and a lot of it comes out right away," he said. "It comes out really fast -- because it's really a lot of pressure behind it, which is true of a new source."

Fuller added: "But by the time you get down to where there's very little air left in that balloon, not much of it comes out because there's no pressure to push it out anymore."

EPA's rules apply to new and modified wells, and not to the existing marginal wells. EPA's requirement that leak detection and repair equipment be used throughout a well's total life span will affect its economic viability, Fuller said.

It can cost \$100,000 to use leak detection and repair equipment to check for leaks. It's a fixed cost that will have to be paid no matter how much a well produces, Fuller said. EPA is requiring that new well sites be inspected semiannually.

"Where it's going to make an impact is when that well reaches a point where the operating costs are too high to keep it operating. We can't make money off it anymore," Fuller said. "That will be the time period in which it'll really have an effect."

## **Enviros 'impressed'**

Along with disputing the size of potential methane leaks from low-producing wells, industry and environmentalists also differed on how they describe their ownership.

According to IPAA, the owners of marginal wells tend to be smaller companies because bigger companies need higher-producing wells to make their operations profitable.

But in a comment submitted to EPA, environmentalists argued that the agency's data itself showed that major operators owned approximately a third of low-production wells. Greens also say smaller companies in the sector -- those with fewer than 500 employees -- can still have significant revenues.

"Even a so-called small business can make over \$1 billion annually," said Anna Moritz, an attorney at the Center for Biological Diversity who specializes in methane regulations. "So this didn't represent the kind of financial concern in terms of asking them to comply with the same standards as a well that produces more fossil fuels."

Moritz said she was surprised that EPA removed the exemption in the final regulations.

"Our sense was that there wouldn't be a lot of movement from EPA between the proposed rule and the final rule," she said. "I was impressed they had decided to include lower-producing wells."

While environmentalists are overall pleased with EPA's suite of methane regulations announced yesterday, they still have concerns that the agency did not fold all types of equipment at oil and gas sites into the final rules.

Industry advocates believe that the regulations on the whole are unnecessary and that voluntary measures are working to reduce oil and gas methane emissions.

## Existing sources

Along with issuing final rules for new and modified sources yesterday, EPA also kicked off the process to regulate methane emissions from existing oil and gas wells -- a move that could contribute more to methane reductions than the new source regulations released yesterday.

The agency yesterday issued a draft two-part data request for information on technologies and costs. The agency plans to use the input to shape a rule for existing operations, but that rule likely won't be completed by the end of the Obama administration ([Greenwire](#), May 12).

One of the reasons environmentalists pushed for eliminating the low-producing wells exemption is to set the tone for the existing source rule. Under the Clean Air Act, EPA is required to base rules for existing sources on rules for new sources.

EPA will have to show a strong administrative record for what it decides to require in the existing source rule, said Sandra Snyder, a partner at Bracewell LLP who represents natural gas companies.

She said that the exemption for low-producing wells may not have as much impact for new wells in the short term but "might serve as a precursor -- not only a sign of what EPA may be thinking, but also some of the NGOs may be thinking" as EPA launches its effort on existing sources.

## EPA:

### Former spokesman shares 'aggressive' press playbook

[Robin Bravender](#), E&E reporter

Published: Friday, May 13, 2016

Fresh off an eight-year stint working for President Obama, U.S. EPA's former spokesman Tom Reynolds is dishing out advice about generating good press.

Among his tips: Be aggressive but not combative, play offense and defense simultaneously, and act quickly after a crisis in order to drive the story.

In a post this week on the website Medium, Reynolds summed up his playbook while outlining the lessons he learned during his eight years as one of the Obama administration's top communications gurus. It offers a behind-the-scenes glimpse into how agency press officials attempt to drive positive news

coverage while playing defense against critical stories.

Reynolds left the administration last month to become a "free agent," he said in an email. Since 2008, he had been a communications adviser at the White House, been EPA Administrator Gina McCarthy's top messaging aide, and worked for the Energy Department and both of Obama's presidential campaigns.

He drew attention when he first joined EPA for driving an aggressive new media strategy in an agency that had been a favorite punching bag for the administration's critics (*Greenwire*, Aug. 7, 2014).

In the post, he wrote, "It's not enough to proactively tell your story, then sit back and hope for glowing press coverage and great reviews from customers. At the same time you must be prepared to deal with negative media, or attacks from competitors or opponents, and respond accordingly. You must play offense and defense simultaneously."

Also, "be aggressive," he said. But "this is not to be confused with combative."

Breaking through a deluge of information people are receiving requires an "assertive approach." Whether it's "media relations with reporters or producers, or digital engagement with your customers, a forward leaning posture will bring better results," Reynolds wrote.

Reynolds also learned to "seize on a crisis," he said, describing EPA's press strategy in the wake of last year's Gold King mine disaster.

"[W]hen it comes to a crisis, sometimes companies and organizations are slow to realize what they are dealing with," he wrote. "This was a problem more than a few times during the Obama Administration. For me, while head of communications at EPA, it was a sluggish reaction to a mine spill in Colorado that turned a river yellow. A delay -- even a small one -- can be a big challenge when developing a response."

He added, "Time is not your friend. At this point, some argue to circle the wagons and say as little as possible. I disagree. Obviously every case is different, but in most circumstances taking proactive ownership of communications during a crisis allows you to drive, or at least balance, the narrative."

[Click here](#) to read Reynolds' post.

## **FEDERAL WORKFORCE:**

### **Feds can search Facebook, Twitter for background checks**

Hannah Hess, E&E reporter

Published: Friday, May 13, 2016

The House's top watchdogs were pleased today to see the Obama administration roll out a new policy that allows federal agencies to search social media as part of the security clearance investigation process, but called on agencies to do more.

Director of National Intelligence James Clapper signed off on the governmentwide policy yesterday, just hours before a joint hearing of two Oversight and Government Reform subcommittees on the subject E&E Daily, May 9).

The new mandate allows investigators to mine public posts, but the feds cannot force employees or contractors to provide passwords or otherwise access social media that are not publicly available.

Investigators also cannot pursue online pseudonyms.

Republicans lawmakers this morning expressed concern about the limitations as a potential weakness. Government Operations Subcommittee Chairman Mark Meadows (R-N.C.) asked whether there were practical or legal reasons stopping investigators from asking applicants to provide their online identities.

National Counterintelligence and Security Center Director William Evanina explained earlier in the hearing that such a practice approached "the border of privacy." However, he agreed to look into Meadows' question and get back to the committee within 60 days with a report.

"It's one thing for a private individual to be sort of trolling Facebook; it's another thing for the federal government to be doing," said Rep. Gerry Connolly (D-Va.), ranking member of the Government Operations Subcommittee.

Connolly asked what constitutes a red flag during the background check process and how the government might use whatever information it may find. "How do we flag the serious from the trivial?" Connolly asked.

Absent a national security concern or a criminal reporting requirement, investigators would not pursue information pertaining to people other than the federal employee or contractor being investigated, Evanina assured the committee.

He also emphasized the complexity of the issue and that the new guidelines were the product of a lengthy review by civil liberties and privacy offices, as well as the offices of general counsel for various federal agencies.

"This is an important step in the right direction," said Rep. Stephen Lynch (D-Mass.), ranking member of the National Security Subcommittee.

However, Lynch cautioned, the exploitation of Twitter, Facebook and other online networking services by terrorist groups demands that Congress and the White House work together to ensure that the framework can adapt "much faster than the usual pace that is characteristic of the federal government."

Congress pushed for the new directive as a way to enhance the security clearance screening process.

The budget deal passed in December 2015 required the director of national intelligence to direct federal agencies to adopt a personnel security program that integrates social media information by the end of 2020.

Office of Personnel Management acting Director Beth Cobert told lawmakers that her agency, which conducts about 95 percent of the government's background checks, "looks forward to implementing the policy."

Officials said they plan to run a number of pilot programs to see whether the information is actually useful. They are also looking to cut costs for collecting social media information, which range from \$100 to \$500 per individual.

## **CLIMATE:**

### **GOP bill would block U.N. funding due to Palestine's role**

Amanda Reilly, E&E reporter

Published: Friday, May 13, 2016

Republican critics of the U.S. role in global climate negotiations are seeking to bar future contributions to the U.N. climate body based on Palestine's membership.

Legislation introduced yesterday by three GOP senators seeks to specifically block U.S. dollars from going to the U.N. Framework Convention on Climate Change and the United Nations' Green Climate Fund for developing countries.

The bill's sponsors, Republican Sens. David Vitter of Louisiana, Jim Inhofe of Oklahoma and John Barrasso of Wyoming, argue that future contributions to either are illegal under a 1994 law that prohibits the United States from funding any U.N. "specialized agency" that treats territories like an independent state.

Palestine, which the United States does not recognize as a sovereign nation, joined the UNFCCC in March.

The State Department, however, has said that the UNFCCC is technically a treaty and that the United States would continue funding it and the GCF (*E&E Daily*, April 27). The Obama administration has pledged to provide \$3 billion to the GCF over four years.

S. 2930 says that the secretary of State "shall ensure" that any funding for the U.N. climate efforts complies with the Foreign Relations Authorization Act.

"The law is crystal clear: we do not send American taxpayer dollars to the U.N. and its affiliated organizations if they recognize an unofficial nation state," Vitter said in a statement, "but Secretary of State Kerry is setting a very dangerous precedent by putting the Obama Administration's political environmental agenda ahead of U.S. law."

## DEFENSE:

### Senate panel OKs authorization without enviro provisions

Ariel Wittenberg, E&E reporter

Published: Friday, May 13, 2016

The Senate Armed Services Committee approved a defense authorization bill free of environmental riders yesterday afternoon, committee staff said.

Sen. Tim Kaine (D-Va.) had warned during a Tuesday subcommittee markup of S. 2814 of a possible fight over biofuels (*E&ENews PM*, May 10). However, committee staff said Sen. Ted Cruz (R-Texas) had filed an amendment about biofuels but never offered it during the full committee markup this week.

The content of that amendment was not immediately clear, as a Cruz spokeswoman did not respond to a request for comment by publication time. The Senate Armed Services Committee markup is traditionally held behind closed doors for national security reasons. The full committee report is expected to be published next week.

Cruz was apparently successful in adding an amendment requiring the Department of Defense Siting Clearinghouse to assess renewable energy projects' potential to affect military safety. According to a

press release on the senator's website, his amendment would require the clearinghouse to determine whether proposed projects could create electromagnetic interference or other flight safety issues for military bases.

"Under no circumstances should the 'clean energy' agenda take precedence over the safety of our Armed Forces or their ability to conduct their missions," Cruz's website states.

The amendment is an apparent softening of Cruz's stance on military and renewable energy. In previous years, he has tried but failed to repeal the Pentagon's renewable energy mandates (*E&E Daily*, May 11, 2015).

Staffers say the bill is also devoid of other natural resources riders like the ones included in the House version of the defense authorization.

Senate Armed Services Chairman John McCain (R-Ariz.) has previously expressed his distaste for such riders, calling the efforts to restrict greater sage grouse conservation something he is "frankly not interested in" (*E&E Daily*, May 9).

The House version of the bill (H.R. 4909) heads to the floor next week, and if the natural resources language remains unchanged, it could set up a repeat of last year's conference committee, where sage grouse provisions in the House bill became a major sticking point for senators who wanted a rider-free authorization.

## **SOLAR:**

### **SolarCity subpoenaed over N.Y. gigafactory**

Christa Marshall, E&E reporter

Published: Friday, May 13, 2016

SolarCity Corp., the largest U.S. solar installer, said today it has been subpoenaed in a broad investigation of state contracts and lobbying in New York.

The development, first reported by *Newsday*, involves a probe by Preet Bharara, U.S. attorney for the Southern District of New York, of state construction projects, including those tied to Gov. Andrew Cuomo's (D) \$1 billion plan to boost the economy in Buffalo, N.Y. SolarCity is building a solar panel gigafactory in the city with a \$750 million investment from the state as part of Cuomo's "Buffalo Billion" initiative.

*Newsday* reported that the U.S. attorney's office is examining the selection process and political connections of the construction firm behind the Buffalo SolarCity plant. It also subpoenaed multiple entities involved with other unrelated state projects, such as the State University of New York Polytechnic Institute. Cuomo's office did not respond to a request for comment. The U.S. attorney's office said it does not comment on subpoenas.

In a statement, SolarCity spokeswoman Kady Cooper said that SolarCity is not the subject or focus of the investigation and was not involved in the vendor selection or contracting process at the facility.

"The U.S. attorney's office did request information from us to aid in the investigation, and we will cooperate fully. Construction of the facility is proceeding well, and we are looking forward to working with New York State to accelerate the full-scale production schedule -- it's premature to speculate on any

impact the investigation might have on the project timeline," Cooper said to *Greenwire*.

The 1.2 million-square-foot manufacturing facility is expected to produce 10,000 solar panels daily and support 1,400 Buffalo jobs when fully operational next year, according to SolarCity. The company worked with New York to expand the facility's scope fivefold after it acquired solar panel producer Silevo Inc. in 2014. At the time, Silevo had a deal in place with New York for a solar manufacturing facility in Buffalo.

Earlier this week, SolarCity's stock had one of its worst collapses in months after the company reported disappointing first-quarter results and lower planned solar panel installations for the year. Other solar companies also experienced stock trouble, partly out of concern of pushback against net metering in various states.

The company, whose chairman is Tesla Motors Inc. CEO Elon Musk, said many of the regulatory uncertainties had "been settled" in its favor (*Greenwire*, May 12).

## **NUCLEAR:**

### **TVA's bid for small modular reactor is a 'first in industry'**

Hannah Northey and Kristi E. Swartz, E&E reporters

Published: Friday, May 13, 2016

The Tennessee Valley Authority today became the first company in the United States to officially explore the option of building a small modular reactor (SMR).

The technology, although unproven, has gained status on Capitol Hill and beyond as a way forward for the nuclear industry.

TVA, a federally owned utility, submitted an early site permit application to the Nuclear Regulatory Commission to assess the potential for building and operating the small reactor at its Clinch River site near Oak Ridge, Tenn. In essence, TVA is asking NRC to concur that its site -- a much-studied 1,200-acre lot west of Knoxville -- is suitable for building the reactor.

The application, TVA said, marks the utility as an "industry leader" seeking a continuous, carbon-free source of power that could one day be used to power federal facilities.

"This submittal is a key milestone for our company and the nuclear industry," TVA Chief Nuclear Officer Joe Grimes said in a statement. "TVA is the first in the industry to submit any type of application related to SMRs to the NRC. It's a significant event for us as we continue exploring potential SMR technology as a way of expanding our diverse portfolio to ensure a safe, reliable supply of energy for those we serve."

This is the first early site permit for small reactors that has been submitted to NRC, a spokesman confirmed. The agency will use the same review process regardless, said Scott Burnell, in an email to *Greenwire*.

A review should take less than three years. If there is a contested hearing before the Atomic Safety and Licensing Board, that would make the process take longer, Burnell said.

The permit only determines whether a piece of land can support a nuclear power plant, and TVA still would have to submit a separate application for a license to build and operate a reactor on that site. NRC staff would lay out milestones for the environmental and safety portions of the review.

It could take the NRC up to 18 months to assess the site, which is adjacent to the Oak Ridge National Laboratory -- home to several of the world's most powerful supercomputers -- and the Y-12 National Security Complex, said Jim Hopson, a spokesman for TVA.

Hopson said TVA is considering all of the competing reactor designs, of which none have received federal approval. TVA, he added, is interested in learning whether the reactor could be used to provide backup power to the lab or weapons complex, but isn't counting on using the plant to generate power in the near term. The utility serves more than 9 million people in parts of seven Southeastern states.

Hopson noted that existing reactors across the country will reach the end of their life span in the 2030s, cutting short a formidable source of carbon-free power.

"We could not move forward until a design is certified by the NRC; we're looking at all of them," he said. "This is really an opportunity to look at the future application of nuclear power technology, which we believe is very important as a carbon-free source of power."

TVA revealed in March that it was in talks with NRC about the application as the utility continues to move away from centralized power plants to a more distributed form of power generation (*EnergyWire*, March 31).

TVA has long eyed building SMRs, which fit into the utility's long-term energy resource plan. The plan, approved in 2015, said TVA likely would not have to build baseload generation for a while because of lower demand. If TVA did build a large power plant, it likely would be generated by natural gas.

Instead, TVA was looking at having a flexible long-term plan, which is key as the electricity industry continues to transform away from getting electricity from large, centralized power plants. SMRs fit in with this strategy because they are about a third the size -- or 300 megawatts or less -- of a typical baseload plant.

Earlier this year, the utility joined SMR Start, a consortium of utility, energy and technology companies that want to advance commercialization of the small reactors. The group will offer a "unified voice" for a variety of policy issues and help create cost-sharing funding structures between the public and private sectors.

By filing an early site permit application, TVA very well may be the test case for hashing out such policy and financing issues.

## **WORKFORCE:**

### **Wind jobs surge as industry expands**

Published: Friday, May 13, 2016

Sean Fritzler attached his climbing harness to a metal cable and climbed 260 rungs to the top of a wind turbine similar in size to the Statue of Liberty.

Once atop it, he stood in a 15-by-30-foot space in the turbine crammed with equipment that converts wind into electricity.

"My office is 300 feet in the air," said Fritzler, 25, a GE Renewable Energy technician at a 56-turbine wind farm in Colorado.



Demand for mechanical technicians like Fritzler is increasing as states look to transition from fossil fuels. Wind turbine technicians occupy a job that is expected to grow more rapidly than any other through 2024, according to the Bureau of Labor Statistics.

Congressional approval of a five-year extension of tax credits for wind companies in December ensured the industry would continue to expand. States have also pledged to help with the effort; Hawaii said it plans to produce all its energy needs from renewables by 2045. California and New York have both pledged to generate 50 percent by 2030.

"These policies send signals to the wind industry that it's worth making significant investments," said Warren Leon, executive director of the Montpelier, Vt.-based Clean Energy States Alliance. "States see renewables as an area for increased jobs" (Jennifer Oldham, [Bloomberg](#), May 12). -- **AK**

## **DOE:**

### **Management office chief to lead transition efforts**

Hannah Hess, E&E reporter

Published: Friday, May 13, 2016

The director of the Energy Department's Office of Management will oversee DOE's transition to a new administration in 2017.

Ingrid Kolb, who oversaw the change from President George W. Bush to President Obama in 2009 and led daily transition operations ahead of the 2012 presidential election, will be on duty again ahead of this November's contest.

Kolb will represent DOE on the Agency Transition Directors Council, which will share information with presidential candidates.



Ingrid Kolb, director of DOE's Office of Management. Photo courtesy of DOE.

While Kolb won't be taking calls from campaign staffers, she and the other agency transition directors will meet regularly with the candidates' transition representatives during council meetings. She'll manage the

development of briefing materials and other transition information. After the election, the 37-year federal employee will serve as a liaison to the president-elect's team, according to the department.

Kolb's office has about 260 employees and a budget of \$55 million. She's led the office for more than a decade, managing the DOE headquarters complex and providing administrative support to employees in the Washington, D.C., area.

Previously, Kolb was chief of staff to DOE's associate deputy secretary and was responsible for coordinating the department's implementation of the president's management agenda.

Before joining DOE, Kolb -- who has a bachelor's degree from Sweet Briar College in Virginia -- directed the training and development center at the Education Department. She has also worked as chief of staff to the Homeland Security Department's chief financial officer.

Joining Kolb on the transition council are Office of Management and Budget Director Shaun Donovan and officials from other agencies, including U.S. EPA's Sharon Kenny ([Greenwire](#), May 10).

Federal agencies were required to select a senior career official as a transition coordinator no later than six months before Election Day, under a bill Obama signed this spring ([Greenwire](#), March 10).

The law requires the outgoing administration to negotiate a memorandum of understanding with the transition team of each presidential candidate by Nov. 1 to ensure access to agency personnel, facilities and documents.

In April, Donovan instructed the heads of departments and agencies to start compiling information to help the next administration quickly prepare its budget. Specifically, Donovan's [memo](#) instructed officials to look at the personnel costs and full-time employee levels, plus areas where funding might change due to legislation or ongoing policy changes.

Agencies must submit the information to OMB in September.

## **CLIMATE:**

### **Nike slashes its environmental footprint**

Published: Friday, May 13, 2016

Sporting goods giant Nike Inc. has announced a sweeping plan to double productivity while simultaneously shrinking its environmental impact by half.

In a newly released sustainability report, the athletic footwear and apparel business said it plans to "reduce energy use, carbon emissions, water use and waste throughout our value chain."

The Oregon-based company said it's rolling back the number of factories it works with by 24 percent even as the company continues to post double-digit percentage sales growth.

But slashing the company's carbon emissions will be difficult.

Among other things, much of its clothing is made with polyester, which is a petroleum-based fabric. The company said it has become the largest user of recycled polyester in the industry. It said about 39 percent of its polyester products were made of recycled polyester last year, an increase from 27 percent in 2011.

Nike CEO Mark Parker said that is just the start.

The company also plans to reach 100 percent renewable energy in owned or operated facilities by fiscal 2025, encourage broader adoption of renewable energy and source all its products from factories meeting its definition of sustainable, among other goals (Jeff Manning, [Portland Oregonian](#), May 11). -- **AK**

## **PENNSYLVANIA:**

### **State revives loan program for home efficiency upgrades**

Published: Friday, May 13, 2016

Pennsylvania has restarted its popular program offering low-interest, fixed-rate financing for energy-efficient home improvements.

The move comes almost two years after the Keystone Home Energy Loan Program stalled for lack of funding.

In the eight years since the program began in 2006, it provided loans totaling \$110 million to 14,000 homeowners across the state.

"Not a cent was lost," said Treasury Secretary Timothy Reese. "It was a smart investment for the Treasury and great opportunity for homeowners."

The original loan limit has increased to \$20,000 from \$15,000. The repayment terms are flexible with low interest rates.

The program is made possible by a new financing strategy that involves Pennvest, the state's water infrastructure development authority.

Pennsylvania is the first state to use such funds for energy-efficient improvements, according to Department of Environmental Protection Secretary John Quigley.

"By increasing energy efficiency, you reduce air pollution and that results in better water quality," Quigley said (Alan Heavens, [Philadelphia Inquirer](#), May 13). -- **AS**

## **BRAZIL:**

### **Climate chief fired in government reshuffle**

Published: Friday, May 13, 2016

Brazil is in turmoil after its Senate voted to impeach President Dilma Rousseff this week over alleged unsanctioned changing of government accounts.

And now Environmental Minister Izabella Teixeira has been fired in the government reshuffle as well. Environmentalists are nervous that interim premier Michel Temer is taking advantage of the crisis to cut green laws.

Teixeira played a key role in forging the Paris Agreement, but now there is no room for her in Temer's new all-male, all-white Cabinet, critics say.

Amid the turmoil, former negotiator Natalie Unterstell is saying Brazil's climate targets are based on flawed data and called for an immediate review (Megan Darby, [Climate Home](#), May 13). -- **AS**

## CHINA:

### Environment ministry can inspect provinces for violations

Published: Friday, May 13, 2016

China's environment ministry has been given approval to inspect provinces and regions throughout the country as part of a larger effort to find local polluters, a newspaper reported today.

The Ministry of Environmental Protection would be the second national authority, after China's corruption watchdog group, the Central Commission for Discipline Inspection, to have the ability to deploy inspection teams and engage in discussions with provincial leaders.

*China Daily* reported the move would subject an additional 14 provinces to a government-led probe. It follows inspections carried out in heavily industrialized Hebei province earlier this year.

The country has been trying to bolster its environmental powers as part of its "war on pollution" launched in 2014 in an attempt to rein in emissions after years of unchecked growth (David Stanway, [Reuters](#), May 12). -- **AK**

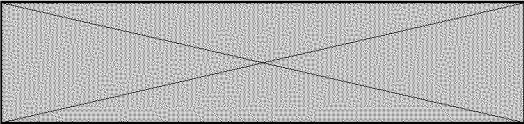

## REGULATION:

### Greenwire's Reilly discusses EPA's next steps on existing source methane emissions

Published: Friday, May 13, 2016

Following yesterday's release by U.S. EPA of a final rule on methane emissions from new sources, and a proposal on existing source emissions, how will the agency proceed with its existing source rule? On today's The Cutting Edge, *Greenwire* reporter Amanda Reilly discusses the reaction to EPA's highly anticipated announcement and explains how the presidential election will impact the agency's next steps on existing sources.

[Click here](#) to watch E&ETV's The Cutting Edge.

	
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1. <u>CARBON MARKETS:</u> <u>Carbon trading in a non-market economy: China dives in</u>	

When it comes to learning about emissions trading, China has had a leg up. The world's leading emitter of greenhouse gases has spent 15 years scouting the globe to learn from the mistakes of other nations and find the best ways to build a trading system of its own, which could become the world's largest.

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##### 2.CLEAN POWER PLAN:

**Firm that predicted double-digit rate hikes not so certain**

##### 3.ADVOCACY:

**Scientists questioned RICO strategy, FOIA emails show**

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**Business models may be biggest breakthrough for clean tech**

##### 5.EMISSIONS:

**'Underdogs of the forest' have surprising storage strength**

##### 6.SPECIES:

**Global cooling helped kill Neanderthals**

##### 7.ADVOCACY:

**Climate activists interrupt heron nesting season**

#### INTERNATIONAL

##### 8.NATURAL DISASTERS:

**Climate plays big role in displacement, report finds**

##### 9.AVIATION:

**ICAO talks yield little progress**

##### 10.ADVOCACY:

**Naomi Klein criticizes Australia on climate change**

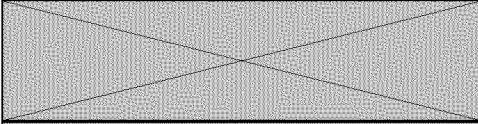
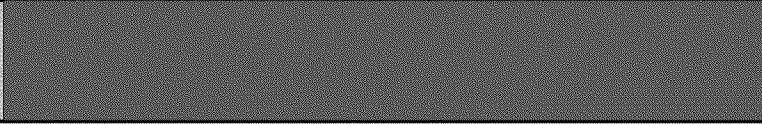

##### 11.AUSTRALIA:

**Conservatives' climate plan nodded at carbon trading**

#### E&E'S POWER PLAN HUB

##### 12.POWER PLAN HUB:

**Utilities seek workaround to broaden CO2 trading options**

			
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TOP STORIES			

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	<u>3.SOLAR:</u> <b><u>Minn. advocates look to speed up grid-connection process</u></b>
	<u>4.CALIFORNIA:</u> <b><u>Companies wary of moving too fast toward distributed energy future</u></b>
	<u>5.FINANCE:</u> <b><u>Puerto Rico utility pushing for deal as it hits debt deadline</u></b>
	<u>6.REGULATION:</u> <b><u>Shell, Iberdrola face FERC judge in aging Calif. energy crisis case</u></b>
	<u>7.TECHNOLOGY:</u> <b><u>China to boost energy storage tenfold by 2020</u></b>
OIL AND GAS	<u>8.OIL:</u> <b><u>Saudi Arabia suffers another blow from price bust</u></b>
	<u>9.PIPELINES:</u> <b><u>Dominion's Atlantic Coast project slogs ahead with public input</u></b>
	<u>10.OIL:</u> <b><u>OPEC predicts supply shortage and a price rebound</u></b>
E&E'S POWER PLAN HUB	<u>11.POWER PLAN HUB:</u> <b><u>Utilities seek workaround to broaden CO2 trading options</u></b>

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